THEMBISILE HANI

LOCAL MUNICIPALITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2008

INDEX

CONTENTS	Page
General information	3
Foreword	5
Report of the Manager: Financial Services	6
Certificate	9
Accounting Policies	10
Balance Sheet	12
Income Statement	13
Cash Flow Statement	14
Notes to the financial statements	15

Appendices:

A.	Statutory funds, reserves, provisions	20
B.	External loans and internal advances	21
C.	Analysis of fixed assets	22
D.	Analysis of operating income and expenditure	23
E.	Detailed income statement	24
F.	General statistics	25

THEMBISILE LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THE MAYORAL COMMITTEE

Councillors:

Clr VV Nkosi	Executive Mayor
Clr WS Msiza	Chairperson: Finance Portfolio
Clr N. Mahlangu	Chairperson: Local Economic Development Portfolio
Clr BN Mahlangu	Chairperson: Development Planning and Infrastructure Portfolio
Clr BN Sibanyoni	Chairperson: Community Services Portfolio
Clr LM Mboweni	Chairperson: Corporate Services Portfolio

GRADING OF MUNICIPALITY

Grade 3

AUDITORS

Office of the Auditor-General

BANKERS

First National Bank

REGISTERED OFFICE

24 Kwaggafontein C	Postal Address	Telephone: 013 - 986 9100
Opposite Police Station	Private Bag x4041	Fax: 013 - 986 0995
Kwaggafontein	Empumalanga	

MUNICIPAL MANAGER

W K Mahlangu

MANAGER FINANCE

JED Lynch

EXECUTIVE MAYOR

Clr VV Nkosi

SPEAKER

Clr PS Mahlangu

THEMBISILE LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THE THEMBISILE COUNCIL

1	Clr M. Danisa	24	Clr TM Monareng	46	Clr MSV Masango
2	Clr GM Monama	25	Clr DJ Ntuli	47	Clr VV Nkosi
3	Clr KM Matsheni	26	Clr JL Mtsweni	48	Clr SEM Ndlovu
4	Clr KM Mtshweni	27	Clr M Msiza	49	Clr MG Maluleka
5	Clr TN Mahlangu	28	Clr MJ Mlambo	50	Clr MJ Tshilwane
6	Clr LN Mahlangu	29	Clr PS Mahlangu	51	Clr S Nkosi
7	Clr TN Khumalo	30	Clr MP Mokone	52	Clr TE Motanyane
8	Clr PK Madihlaba	31	Clr N Mahlangu	53	Clr MW Mtshwene
9	Clr SZ Mnamateli	32	Clr TL Mabena	54	Clr PP Kgophane
10	Clr W Mtshweni	33	Clr JJ Jiyane	55	Clr BS Mnyakeni
11	Clr MS Ramphisa	34	Clr NE Hlophe	56	Clr OE Mokwena
12	Clr BA Nkwanyana	35	Clr BN Sibanyoni	57	Clr D Ntuli
13	Clr NTG Kubheka	36	Clr NE Makwakwa	58	Clr MG Komane
14	Clr MM Mahlangu	37	Clr DD Masombuka	59	Clr RQ Mtsweni
15	Clr LM Tshabangu	38	Clr J Ndala	60	Clr RJ Skosana
16	Clr MJ Mahlangu	39	Clr ATL Mohapi		
17	Clr AM Mohoaduba	40	Clr JJ Tau		
18	Clr LL Mahlaela	41	Clr JF Mashiya		
19	Clr LM Mboweni	42	Clr BN Mahlangu		
20	Clr RM Moekwa	43	Clr BJ Ntuli		
21	Clr SM Masombuka	44	Clr NE Phakathi		
22	Clr SA Ramalekana	45	Clr WS Msiza		
23	Clr MM Sepogwana				

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 4 to 23 were approved by the Municipal Manager

on 25 September 2008

MUNICIPAL MANAGER **MANAGER FINANCE**

FOREWORD BY HIS WORSHIP THE EXECUTIVE MAYOR

The Progress made by the Municipality in the financial year 2007/08 cannot be overemphasized. It is confirmed by the unqualified audit report from previous year by the Auditor General. Equally it cannot be expected that this was achieved through smooth sailing. The following issues need attention : Supply Chain Management, establishment of an internal audit function and lastly the raising of own revenue. All these issues have an impact on the grading of the Municipality.

Internal capacity in the recourse to these issues seems to be a challenge. We appreciate the capacity building that has taken place but more still needs to be done to improve our overall financial management.

The financial statements alone cannot paint the picture of the municipality but mostly the service delivery and the impact it has on the community's lives. Our efforts remains directed at improving the lives of the people /residents and less to self enrichment and corruption.

We, nevertheless appreciate the efforts of whoever has contributed to these financial statements and complying to legislation. The synergy of both council and the administration shall be where we direct our efforts. We endeavor to take work of council with commitment.

MR V V NKOSI
EXECUTIVE MAYOR

THEMBISILE LOCAL MUNICIPALITY

CHIEF FINANCIAL OFFICER'S R E P O R T

Introduction

1. Operational Results

Details of operating results per department classification and object of expenditure are included in appendices / annexure D and E. The applicable statistics are shown in appendix F.
The overall operating results for the year ended 30 June 2008 are as follows:

Income	Actual 2006/07	Actual 2007/08	Variance 2006/07 & 2007/08	Budget 2007/2008	Variance Actual / Budget 2007/08
	R	R	%	R	%
Opening surplus	26 276 347	60 238 269	229.25%		
Operating Income for the year	108 966 298	109 593 315	100.58%	222 460 213	202.99%
TOTAL	**135 242 645**	**169 831 585**		**222 460 213**	

Expenditure	Actual 2006/07	Actual 2007/08	Variance 2006/07 & 2007/08	Budget 2007/2008	Variance Actual / Budget 2007/08
	R	R	%	R	%
Operating expenditure for the year	82 431 800	155 943 710	189.18%	240 034 501	153.92%
Sundry transfers	(7 427 425)	(2 786 043)			
Closing accumulated surplus	60 238 269	16 673 918			
TOTAL	**135 242 645**	**169 831 585**		**240 034 501**	

The surplus is as a result of decreased operating expenditure compared to the budgeted expenditure.

1.1 Rates & General Services

	Actual 2006/07	Actual 2007/08	Variance 2006/07 & 2007/08	Budget 2007/2008	Variance Actual / Budget 2007/08
	R	R	%	R	%
Income	101 918 188	97 749 536	95.91%	187 058 713	52.26%
Expenditure	53 710 726	115 319 985	214.71%	130 334 565	88.48%
Surplus (Deficit)	48 207 462	-17 570 448	-36.45%	56 724 148	-30.98%
Surplus (Deficit) as percentage of total income	47.30	-17.97			

1.2 Economic Services

	Actual 2006/07	Actual 2007/08	Variance 2006/07 & 2007/08	Budget 2007/2008	Variance Actual / Budget 2007/08
	R	R	%	R	%
Income	2 099 906	2 132 625	101.56%	1 711 000	124.64%
Expenditure	9 095 146	3 318 814	36.49%	43 303 371	7.66%
Surplus (Deficit)	-6 995 240	-1 186 189	16.96%	-41 592 371	2.85%
Surplus (Deficit) as percentage of total income	-333.12	-55.62			

1.3 Trading Services

	Actual 2006/07	Actual 2007/08	Variance 2006/07 & 2007/08	Budget 2007/2008	Variance Actual / Budget 2007/08
	R	R	%	R	%
Income	7 048 110	11 843 779	168.04%	33 690 500	35.15%
Expenditure	28 721 074	40 623 725	141.44%	66 396 565	61.18%
Surplus (Deficit)	-21 672 964	-28 779 947	132.79%	-32 706 065	88.00%
Surplus (Deficit) as percentage of total income	-307.50	-243.00			

2. Capital Expenditure and Financing

The expenditure on fixed assets during the year amounted to R 79 074 170

	Actual 2008 R	Budget 2008 R	Actual 2007 R
Community services	11 911 832	43 828 661	10 579 617
Subsidised services	321 308	650 000	-
Sewerage	10 740 410	38 926 806	6 511 859
Water	27 850 654	25 725 935	8 279 902
Refuse	28 249 966	1 711 222	7 609 932
	79 074 170	110 842 625	32 981 310

Resources used to finance the fixed assets were as follows :

	Actual 2008 R	Budget 2008 R	Actual 2007 R
Operating income	14 248 928	23 155 230	9 724 983
Grants and subsidies	64 825 242	87 687 395	23 256 328
	79 074 170	110 842 625	32 981 311

Refer to Appendix C for further details.

3. Capital Expenditure and Financing

On 30 June 2008 the Municipality had no Loan obligations

On 30 June 2008 investment amounted to R 45 902 516 and cash amounted to R 6 000.

4. Funds

On 30 June 2008 the Capital Development Fund amounted to R 4 200 708 (2006/07 :- R 2 464 602).

On 30 June 2008 the Housing Development Fund amounted to R 3 253 085 (2006/07 :- R 2 577 127)

5. Acknowledgement

I thank the Municipal Manager, Heads of Departments and staff for their support during the past financia year. A special word of thanks is directed to financial staff who spent sleepless nights in ensuring that these statements are produced.

MANAGER FINANCE

CERTIFICATE OF REMUNERATION AND IN-KIND BENEFITS OF COUNCILLORS

I, the undersigned, am responsible for the preparation of these annual financial statements, which are set out on pages 7 to 25, in terms of Section 124(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits as disclosed in note 12 of these annual financial statements, are within the upper limits of the framework envisaged in Section 219 of the Constitution and the Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.

_____ _____

Municipal Manager

1. BASIS OF PRESENTATION

1.1 These financial statements have been prepared so as to conform to standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for the Accountants of Local Government (1992) and the Report on the Standardisation of the Financial Statements of Local Governments (4th edition, as amended).

1.2 The financial statements are prepared on the historical cost basis, adjusted capital expenditure, as more fully detailed in Note 2 (two). The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual principle:

- Income is accrued when available to finance operations. Certain direct revenue is accrued when received.
- Expenditure is accrued in the year it is incurred.

2. FIXED ASSETS

2.1 **Fixed assets are stated:**

At historical cost, or at valuation (based on the market price at date of acquisition), where assets have been obtained by grant or donation.

Certain fixed assets donated by the Mpumalanga Provincial Governement and DWAF are reflected at a nominal value of R1 each. The values of these assets could not be determined. These assets are clearly identified in the asset register, while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of the estimated life as determined by the Treasurer.

2.2 **Depreciation**

The balance shown against the heading "*Loans redeemed and other capital receipts*" in the Notes to the balance sheet is tantamount to a provisions for depreciation, however, certain structural differences do exist. By way of these "*provisions"* assets are written down over their estimated life span. Apart from advances from various Council funds, assets may also be acquired through -

- appropriation from income, where the full cost of the asset forms an immediate and direct charge against operating income and therefore it is unnecessary to make any further provision for depreciation;
- grant or donation, where the amount that represents the value of such grant or donation is immediately credited to the "*Loans redeemed and other capital receipts*" account.

2.2 **Depreciation** *(Conitnued)*

Capital assets are financed from different sources, including external loans, operational revenue and internal advance payments. These loans and advances are repaid within the estimated life span of the assets, which are financed from such loans and advance payments. Interest at the rate that prevails at the time of granting the advance payment is debited to the relevant service .

3. FUNDS AND RESERVES

Capital Development Fund

The Capital Development Fund Ordinance, No 9 of 1978, requires a minimum contribution of 1,0% of the defined income of a Local Authority for the immediately preceding financial year,

Housing Development Fund

All proceeds received from the sale of Municipal owned land is directly accrued to the Housing Development Fund. This fund is utilised in the financing of new housing developments.

4. INVESTMENTS

Investments are reflected against lowest cost or market value if there is a continual decline in value. Investments are being done in accordance with the policy of the Council.

5. COMPARATIVE FIGURES

The 2007/2008 financial year figures as reflected on the financial statements had been compared to the 2006/2007 financial year figures.

BALANCE SHEET AS AT 30 JUNE 2008

CAPITAL EMPLOYED	Notes	30/06/2008	30/06/2007
FUNDS AND RESERVES			
ACCUMMULATED FUNDS	**1**	4 200 708	2 464 602
RETAINED INCOME / (ACCUMMULATED DEFICIT)		16 673 918	60 238 269
		20 874 625	62 702 871
CONSUMER DEPOSITS	**3**	379 034	1 287 422
TRUST FUNDS	**2**	3 253 085	2 577 127
		24 506 744	**66 567 421**
EMPLOYMENT OF CAPITAL			
FiXED ASSETS	**4**	-	-
INVESTMENTS	**5**	45 902 516	15 779 064
NETT CURRENT ASSETS (LIABILITIES)		(21 395 771)	50 788 357
CURRENT ASSETS		1 567 578	78 962 167
Cash and Bank	**19**	(14 633 644)	37 531 617
Debtors	**7**	16 201 222	41 430 550
CURRENT LIABILITIES		22 963 349	28 173 810
Creditors	**9**	22 074 689	27 171 893
Provisions	**8**	888 660	1 001 917
		24 506 744	**66 567 421**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2006/07 ACTUAL INCOME	2006/07 ACTUAL EXPENDITURE	2006/07 ACTUAL SURPLUS (DEFICIT)	SERVICE	2007/08 ACTUAL INCOME	2007/08 ACTUAL EXPENDITURE	2007/08 ACTUAL SURPLUS (DEFICIT)	2007/08 BUDGET SURPLUS (DEFICIT)
101 918 188	**53 710 726**	**48 207 462**	**RATES AND GENERAL SERVICES**	**97 749 536**	**115 319 985**	**(17 570 448)**	**15 131 777**
99 755 343	44 475 753	55 279 590	Community Services	95 581 999	111 684 884	(16 102 885)	57 977 788
62 939	139 826	(76 887)	Subsidised Services	34 912	316 287	(281 374)	(1 253 640)
2 099 906	9 095 146	(6 995 240)	Economical Services	2 132 625	3 318 814	(1 186 189)	(41 592 371)
7 048 110	**28 721 074**	**(21 672 964)**	**TRADING SERVICES**	**11 843 779**	**40 623 725**	**(28 779 947)**	**(32 706 065)**
-	2 258 903	**(2 258 903)**	Electricity	-	607 931	(607 931)	**(1 394 309)**
7 048 110	26 462 172	(19 414 062)	Water	11 843 779	40 015 795	(28 172 016)	(31 311 755)
108 966 298	**82 431 800**	**26 534 498**	**TOTAL**	**109 593 315**	**155 943 710**	**(46 350 395)**	**(17 574 288)**
		7 427 425	Prior year adjustment				
			Appropriation for the year (Refer to Note 15)			2 786 043	
		33 961 923	Nett Surplus / (Deficit) for the year			(43 564 352)	
		26 276 347	Unappropriated Surplus / (Deficit) at the beginning of the year			60 238 269	
		60 238 269	Unappropriated Surplus / (Deficit) at the end of the year			**16 673 918**	

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

CASH RETAINED FROM OPERATIONAL ACTIVITIES		2007/08	2006/07
Cash generated by operations	16	31 142 140	63 318 158
Investment income	14	6 666 485	5 330 702
(Increase) / decrease in operating capital	17	20 132 125	(19 875 787)
		57 940 750	48 773 074
Less: External interest paid	14	-	-
Cash available from/(utilised in) operations		57 940 750	48 773 074
Cash Contributions		-	-
CASH UTILISED IN INVESTEMENT ACTIVITIES			
Investment in fixed assets	C	(79 074 170)	(32 981 310)
NETT CASH FLOW		**(21 133 420)**	**15 791 764**
CASH EFFECTS OF FINANCING ACTIVITIES			
(Increase) / decrease in cash investments	18	(30 123 452)	(1 262 760)
(Decrease)/Increase in consumer deposits		(908 388)	(3 620 829)
(Increase) / decrease in cash	19	52 165 261	(10 908 173)
NETT CASH (GENERATED) / UTILISED		**21 133 420**	**(15 791 762)**

THEMBISILE LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS ON 30 JUNE 2008

	30/06/2008 R	30/06/2007 R
1 STATUTORY FUNDS		
Capital Development Fund	**4 200 708**	**2 464 602**
2 TRUST FUNDS		
Housing Development Fund	**3 253 085**	**2 577 127**
3 CONSUMER DEPOSITS		
CONSUMER DEPOSITS	379 034	1 287 422
4 FIXED ASSETS		
Fixed assets at the beginning of the year	153 597 914	120 616 604
Fixed assets bought or received during the year	79 074 170	32 981 310
Less: Assets written off, transferred or sold during the year	(88 856)	-
Total Fixed Assets	232 583 228	153 597 914
Less: Loans redeemed and other capital income	(232 583 228)	(153 597 914)
Nett Fixed Assets	**-**	**0**
(Refer to annexure C for additional information)		
5 INVESTMENTS		
Short-term Call Deposits:		
- First National Bank	38 027 997	8 462 732
- Nedbank	650 427	650 427
- ABSA Bank	4 911 585	4 498 665
- Standard Bank	2 312 506	2 167 240
	45 902 516	**15 779 064**
Management valuation of investments	**45 902 516**	**15 779 064**
Profit or loss on investment transactions	**NIL**	**NIL**
Average rate of return on investments	6.10%	6.00%
Value of investments pledged as security	**NIL**	**NIL**
Amount of investments written-off during the year	**NIL**	**NIL**
Circular No. 8 of 1962 issued by the Provincial Legislator requires Local Authorities to invest funds, which are not required immediately with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at plenary rate to meet commitments.		
6 INVENTORY		
Consumables and Materials	**-**	**-**
The Municipality does not carry any material consumables and related expenses are allocared directlly to the relevant expenditure accounts		

	30/06/2008 R	30/06/2007 R
7 DEBTORS		
Consumer debtors	50 460 670	34 946 051
Less: Provision for bad debts	(49 433 961)	(10 163 807)
Sundry Debtors	1 743 789	93 670
VAT	13 430 723	16 554 636
	16 201 222	**41 430 550**
8 PROVISIONS		
Leave Provision	827 340	825 538
Provision for Audit Fees	61 320	176 379
	888 660	**1 001 917**
9 CREDITORS		
Retention Creditors	6 990 828	2 937 408
Sundry creditors	704 204	404 885
Unspent Grants	6 938 267	16 990 782
VAT Levied - Not received	7 441 390	6 838 818
	22 074 689	**27 171 893**
10 PROPERTY RATES		
No property rates are charged	-	-
11 COUNCILLORS REMUNERATION		
Mayor's allowance	414 725	420 588
Speaker's allowance	331 779	352 204
Mayoral committee allowance	1 586 358	1 545 584
Councillor's allowance	6 469 653	6 861 835
Pension fund contribution	1 229 762	663 374
	10 032 277	**9 843 585**
12 SECTION 57 MANAGERS		
Remuneration of the Municipal Manager		
Annual Remuneration	393 879	
Performace bonus		
Travel allowance	84 000	
Council contributions	22 121	
Total	**500 000**	
Remuneration of the Manager Finance		
Annual Remuneration	348 464	
Performance bonus		
Travel allowance	120 000	
Council contributions	1 536	
Total	**470 000**	
Remuneration of ManagerTechnical Services		
Annual Remuneration	328 464	
Performance bonus		
Travel allowance	120 000	
Council contributions	1 536	
Total	**450 000**	

	30/06/2008 R	30/06/2007 R
Remuneration of Manager Community Development Services		
Annual Remuneration	269 464	
Performance bonus		
Travel allowance	85 000	
Council contributions	45 536	
Total	**400 000**	

Remuneration of Manager Corporate Services

Annual Remuneration	269 464	
Performance bonus		
Travel allowance	85 000	
Council contributions	45 536	
Total	**400 000**	

13 AUDIT COSTS

Audit fees	**-**	**224 326**

14 FINANCING TRANSACTIONS

External interest		
- Interest earned	**6 666 485**	**5 330 702**
	6 666 485	**5 330 702**

15 APPROPRIATION

Accummulated Surplus/(Deficit) at the beginning of the year	60 238 269	26 276 346
Operating gain (Deficit) for the year	(46 350 395)	26 534 498
Appropriation for the year - Prior year adjustments	2 786 043	7 427 425
Accummulated Surplus/(Deficit) at the end of the year	**16 673 918**	**60 238 269**

		30/06/2008 R	30/06/2007 R
16	**CASH GENERATED BY OPERATIONS**		
	Operating gain (deficit) for the year	(46 350 395)	26 534 498
	Amendments i.r.o. previous years operating transactions	2 786 043	7 427 425
	Appropriations debited against income	15 352 843	10 750 443
	- Capital development fund	1 089 662	704 529
	- Other funds	1 802	250 000
	- Bad Debts	12 450	70 931
	- Fixed assets	14 248 928	9 724 983
	Capital costs - External Funding	64 825 242	23 256 328
	Investment income (operating)	(6 666 485)	(5 330 702)
	Non-operating expenditure charged against		
	- Accrued funds		
	- Trust funds		
	- Reserves		
	- Provisions	1 194 893	680 167
		31 142 140	**63 318 158**
17	**INCREASE / (DECREASE) IN OPERATING CAPITAL**		
	(Increase)/decrease in debtors	25 229 329	(28 599 402)
	Increase (decrease) in creditors	(5 097 204)	8 723 615
		20 132 124	**(19 875 787)**
18	**(INCREASE) / DECREASE IN CASH INVESTMENTS**		
	Investments made	-	-
	Investments realised	(30 123 451)	(1 262 759)
		30 123 451	**1 262 759**
19	**(INCREASE) / DECREASE OF CASH ON HAND**		
	Cash balance: Opening Balance	37 531 617	26 623 444
	Less: Cash balance: Closing Balance	(14 633 644)	37 531 617
		52 165 261	**(10 908 173)**
20	**CAPITAL OBLIGATIONS**		
	None		
21	**CAPITAL DEVELOPMENT FUND**		
	Accrued fund	4 200 708	2 464 602
	Less: External Investments		2 464 602
	Outstanding Advances	**4 200 707.81**	**-**
	(Refer to annexure A for further detail)		

		30/06/2008 R	30/06/2007 R
22	**ADDITIONAL INFORMATION IN TERMS OF SECTIONS 124 AND 125 OF THE MFMA**		
A	**Municipal Entities**		
	Under sole and shared control of the Municipality during 2006/2007	None	None
	Under sole and shared control of the Municipality as at 30 June 2007	None	None
B	**Contributions to Organised Local Government**		
	None		
C	**Bank Accounts**		
	First National Bankl: Cheque Account no 62026296427		
	Balance at beginning of year	(54 215 752)	1 032 130
	Balance at end of year	**(10 721 587)**	**37 531 617**
D	**Material Losses, Irregular, Fruitless, Wasteful or Unauthorised Expenditure**		
i	An amount R 36 912.34 was charged as penalty interest on the overdraft facility.	**-**	**-**
ii	2 Break-inns with material loss worth R 88 856.00, was recovered through insurance claim.		
iii	Water losses through illigal connections and leakages, currently unmeasured.		
E	**Criminal or Disciplinary Steps taken as a result of the above**		
	None		
F	**Material Losses Recovered or Written Off**		
	None		
G	**Any Contigent Liabilities as at the End of the Year**		
	None that management is aware of		
H	**None-compliance with the Municipal Finance Management Act, Act no 56 of 2003**		
	None that management is aware of		

THEMBISILE LOCAL MUNICIPALITY

APPENDIX A
(ACCRUED FUNDS, TRUST FUNDS AND PROVISIONS)

	BALANCE 30/6/2007	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENTS	OTHER INCOME	EXPENDITURE DURING THE YEAR	BALANCE 30/06/2008
ACCUMULATED FUNDS						
Capital Development Fund	2 464 602	1 089 662.00	646 444			4 200 708
	2 464 602	**1 089 662.00**	**646 444**	**-**	**-**	**4 200 708**
TRUST FUNDS						
Housing Development Fund	2 577 127	-	675 958			3 253 085
	2 577 127	**-**	**675 958**	**-**	**-**	**3 253 085**
PROVISIONS						
Provision for bad debts	10 163 807	39 282 604			12 450	49 433 961
Leave payments	825 538	1 802				827 340
Audit fees	176 379				115 059	61 320
	11 165 724	**39 284 406**	**-**	**-**	**127 509**	**50 322 621**

THEMBISILE LOCAL MUNICIPALITY

APPENDIX B
(EXTERNAL LOANS AND INTERNAL ADVANCES)

EXTERNAL LOANS	BALANCE 30/06/2007	RECEIVED DURING YEAR	PAYMENTS DURING YEAR	BALANCE 30/06/2008
The Municipality does not have any External Loans	-	-	-	-
	-	-	-	-

INTERNAL ADVANCES TO BORROWING SERVICES	BALANCE 30/06/2007	RECEIVED DURING YEAR	PAYMENTS DURING YEAR	BALANCE 30/06/2008
The Municipality does not have any Internal Loans and Advances	-	-	-	-
	-	-	-	-

THEMBISILE LOCAL MUNICIPALITY

APPENDIX C
(ANALYSIS OF FIXED ASSETS)

EXPENDITURE 2006/07	SERVICE	BUDGET 2007/08	BALANCE ON 30/06/2007	EXPENDITURE 2007/08	DURING YEAR WRITTEN OFF, TRANSFERRED OR DISPOSED	BALANCE ON 30/06/2008
24 701 408	**RATES AND GENERAL SERVICE**	**85 116 689**	**84 508 103**	**51 223 515**	**88 856**	**135 642 763**
10 579 617	**Community Services**	**43 828 661**	**48 973 775**	**11 911 832**	**88 856**	**60 796 751**
2 115 051	Council General	4 917 686	8 580 750	9 056 425	88 856	17 548 319
8 464 566	Public works	38 910 976	32 389 604	2 821 818	-	35 211 422
-	Street Lights	-	8 003 421	33 589	-	8 037 010
-	**Subsidised Services**	**650 000**	**19 501 426**	**321 308**	**-**	**19 822 734**
-	Municipal Buildings	650 000	19 501 426	321 308	-	19 822 734
14 121 791	**Economical Services**	**40 638 028**	**16 032 902**	**38 990 376**	**-**	**55 023 278**
-	Vacuum Tank	-	-	-	-	-
6 511 859	Sewerage	38 926 806	6 511 859	10 740 410		17 252 269
7 609 932	Refuse	1 711 222	9 521 043	28 249 966	-	37 771 009
-	**HOUSING SERVICES**	**-**	**-**	-	**-**	**-**
-	Housing Sub Economic	-	-	-	-	-
8 279 902	**TRADING SERVICES**	**25 725 935**	**69 089 811**	**27 850 654**	**-**	**96 940 465**
-	Electricity	-	**-**	-	-	**-**
8 279 902	Water	25 725 935	69 089 811	27 850 654	-	96 940 465
32 981 310	**TOTAL FIXED ASSETS**	**110 842 625**	**153 597 914**	**79 074 170**	**88 856**	**232 583 228**
32 981 310	**LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS**		**153 597 914**	**79 074 170**	**88 856**	**232 583 228**
-	Loans Redeemed			-	-	
-	Housing Loans Redeemed			-	-	
9 724 983	Contribution from Income		36 556 313	14 248 928	88 856	50 716 385
23 256 328	Contribution from donations & Grants		72 780 307	64 825 242	-	137 605 549
-	Contribution from Mpumalanga Provincial Government		14 792 939	-	-	14 792 939
-	Contribution from Community Based Public Works Programme		29 468 355	-	-	29 468 355
-	**NETT FIXED ASSETS**		**-**	**-**	**-**	**-**

THEMBISILE LOCAL MUNICIPALITY

APPENDIX D
(ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008)

ACTUAL 2006/2007		ACTUAL 2007/2008	BUDGET 2007/2008
-	**REVENUE**		
72 169 069	Grants and Subsidies	84 305 264.90	125 062 000
11 457 714	Revenue from Tariffs, Service Levies etc.	16 396 940.16	37 911 000
5 330 702	Interest Earned	6 666 484.97	1 050 000
19 816 386	Sundry Income	2 042 759.82	58 280 713
192 427	Rentals	181 865.43	156 500
108 966 298	**TOTAL INCOME**	**109 593 315**	**222 460 213**
	EXPENDITURE		
26 659 741	Salaries and Allowances	24 904 564.60	32 521 751
44 189 080	General Expenditure	72 276 393.07	88 208 377
1 082 536	Repairs and Maintenance	4 139 755.52	5 676 625
9 724 983	Contribution to Fixed Assets	14 248 928.28	110 842 625
775 460	Contribution to provisions	40 374 068.77	2 785 123
82 431 800	**TOTAL EXPENDITURE**	**155 943 710**	**240 034 501**
26 534 498	**NETT SURPLUS /(DEFICIT)**	**(46 350 395)**	**(17 574 288)**

THEMBISILE LOCAL MUNICIPALITY

APPENDIX E
(DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008)

2006/07 ACTUAL INCOME	2006/07 ACTUAL EXPENDITURE	2006/07 ACTUAL SURPLUS (DEFICIT)	SERVICE	2007/08 ACTUAL INCOME	2007/08 ACTUAL EXPENDITURE	2007/08 ACTUAL SURPLUS (DEFICIT)	2007/08 BUDGET SURPLUS (DEFICIT)
101 918 188	**53 710 726**	**48 207 462**	**RATES AND GENERAL SERVICES**	**97 749 536**	**115 319 985**	**(17 570 448)**	**15 131 777**
99 755 343	**44 475 753**	**55 279 590**	**Community Services**	**95 581 999**	**111 684 884**	**(16 102 885)**	**57 977 788**
-	22 511 393	(22 511 393)	Council General	-	68 026 848	(68 026 848)	(35 381 326)
-	1 337 354	(1 337 354)	Muncipal Manager	-	2 596 690	(2 596 690)	(3 654 582)
1 364	9 570 982	(9 569 618)	Public Works	4 597	24 252 068	(24 247 471)	15 894 321
99 753 979	4 512 113	95 241 866	Treasury	93 997 722	8 138 378	85 859 344	89 576 338
-	6 543 911	(6 543 911)	Traffic	1 579 680	8 670 900	(7 091 219)	(8 456 964)
62 939	**139 826**	**(76 887)**	**Subsidised Services**	**34 912**	**316 287**	**(281 374)**	**(1 253 640)**
62 939	139 826	(76 887)	Municipal Buildings	34 912	316 287	(281 374)	(1 253 640)
2 099 906	**9 095 146**	**(6 995 240)**	**Economical Services**	**2 132 625**	**3 318 814**	**(1 186 189)**	**(41 592 371)**
-	-	-	Sewer	-	-	-	(38 926 806)
2 099 906	9 095 146	(6 995 240)	Cleansing	2 132 625	3 318 814	(1 186 189)	(2 665 565)
7 048 110	**28 721 074**	**(21 672 964)**	**TRADING SERVICES**	**11 843 779**	**40 623 725**	**(28 779 947)**	**(32 706 065)**
-	2 258 903	(2 258 903)	Electricity	-	607 931	(607 931)	(1 394 309)
7 048 110	26 462 172	(19 414 062)	Water	11 843 779	40 015 795	(28 172 016)	(31 311 755)
108 966 298	**82 431 800**	**26 534 498**	**TOTAL**	**109 593 315**	**155 943 710**	**(46 350 395)**	**(17 574 288)**
		7 427 425	Appropriation For the Year (refer note 13)			2 786 043	
		33 961 923	Net surplus/ (deficit for the year			(43 564 352)	
		26 276 347	Unappropriated Surplus/(Deficit) at the beginning of the year			60 238 269	
		60 238 269	**Accumulated surplus / (deficit) end of the year**			**16 673 918**	

THEMBISILE LOCAL MUNICIPALITY

APPENDIX F
(STATISTICAL INFORMATION)

	General statistics		2007/08
1)	Population		287000
2)	Surface area		2384.35 (sqm/km)
3)	Valuation of "taxable" and "non-taxable" properties, including the valuation date(2/1/99)		-
4)	Valuation of residential and commercial properties (stands)		-
5)	Valuation of industrial, agricultural and other properties		-
6)	Total residential and commercial properties (stands)		58325
7)	Total industrial, agricultural and other properties (stands)		-
8)	Property tax rate: Cent in Rand (Nett)	Site Value	
	Property tax rate: Cent in Rand (Nett)	Improvement	-
9)	Number of employees at local authority		202
10)	Number of Councillors		60
11)	Free Basic Electricity		